

Canada Cement Lafarge Ltd.

Revised September 26, 1985 (IC)
Destroy all previous Basic and White
cards on this Company

CUSIP Number 134835
Stock Symbol CCT

Head Office — 606 Cathcart St., Montreal, Que. H3B 1L7

Telephone — (514) 861-1411

THE COMPANY, directly and through subsidiaries, is engaged primarily in the production and sale of cement, ready-mixed concrete, other concrete products and aggregates and in road and other construction activities across Canada.

Fiscal Year	Total Assets	Net Fixed Assets	COMPARATIVE DATA				Divids. Paid	Price Range	
			Shldrs.' Equity	Sales	Net Inc. Oper.			High	Low
	\$	\$	000's	\$	\$		—□ Exch. Pref. Shares—	\$	\$
1984	867,652	421,877	525,671	709,825	27,149	0.258		16.25	11.00
1983	873,311	439,007	522,378	629,726	16,349	0.173		18.38	12.25
1982	1,416,504	926,749	537,292	1,110,920	12,044				
1981	1,520,862	957,750	551,104	916,312	34,150				
1980	853,710	560,037	381,037	711,136	23,461				

□ Following reorganization of capital stock in 1983. All common shares held by Lafarge Corp. Earnings per share have been unreported since the reorganization.

CONSOLIDATED CAPITALIZATION AS AT DECEMBER 31, 1984			
	Outstanding		%
Long-term debt		\$120,901,000	19
Series A second preference stock	5,064,675 shs.	72,352,000	11
Exchangeable preference stock	10,708,931 shs.	71,003,000	11
Common stock	24,491,921 shs.	192,725,000	30
Contributed surplus		26,848,000	4
Retained earnings & adjustments		162,743,000	25

SUMMARY STATEMENT

Shareholders of CCL exchangeable preference shares or Series A second preference shares are encouraged to direct their attention also to separate coverage on Lafarge Corporation.

For the six months ended June 30, 1985, a net income of \$4,954,000 compared with a loss of \$1,815,000 for the corresponding year-earlier period. Sales increased to \$287,839,000 compared with \$277,389,000 for the first half of 1984.

Financial results for the year ended Dec. 31, 1984 showed net earnings from Canadian operations increased to \$27,149,000 from \$16,349,000 in 1983. Not included in the 1983 results was the operating loss from U.S. operations and the book loss incurred upon the transfer of equity in these operations to Lafarge Corporation totaling \$39,246,000 in April, 1983. Sales for 1984 were up 13% to \$709,825,000 compared with \$629,726,000 in 1983.

Dividends on exchangeable preference shares are paid in Canadian funds at a rate equivalent to US\$0.20 per share per annum, payable quarterly. Dividends on the \$1.17 second preferred shares continue to be paid regularly, quarterly.

Redemption of the cumulative redeemable \$1.30 preference shares was completed on Aug. 13, 1984 at \$16.50 per share plus accrued dividends. This followed the adoption of a special resolution to amend the articles of the corporation by reducing to \$16.50 per share from \$30 per share, the price at which the preference shares would be redeemed.

N.B.—For quick reference data and index, see page 2.

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QUICK REFERENCE DATA

Major Shareholder—Lafarge Corporation of Dallas, Texas owns all issued and outstanding common shares of the company.

Employees—At December 31, 1984, there were 5,791 employees.

Incorporation—Canada charter, October 22, 1927; continuance February 15, 1979.

Auditors—Arthur Andersen & Co., C.A., Montreal.

Fiscal Year Ends—December 31.

Annual Report Appeared—In April in 1985.

Annual Meeting—At call of directors.

Listed—CCT, Toronto and Montreal Stock Exchanges (series A second preference and exchangeable preference only).

Shareholders—At December, 31, 1984, there were 5,644 exchangeable preference and 1,789 series A second preference shareholders.

Transfer Agent—Montreal Trust Co., Montreal, Toronto, Halifax, Winnipeg, Calgary and Vancouver.

Registrar—The Royal Trust Co., Montreal, Toronto, Halifax, Winnipeg, Calgary and Vancouver.

Rank in FP 500—122 by sales; 97 by assets.

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COMPANY

The company, directly and through subsidiaries, is engaged primarily in the manufacture and sale of cement, ready-mixed concrete, other concrete products and aggregates and in road and other construction activities throughout Canada.

The French language expression of the company's name is **Ciments Canada Lafarge Ltée**.

SALES

Sales by industry segment has been as follows for the past two years:

	1984		1983	
	\$000's	%	\$000's	%
Cement, concrete & related prods.	588,720	83	532,351	84
Construction	129,405	18	105,786	17
Less: Elimin.	8,300	(1)	8,411	(1)
	709,825	100	629,726	100

EARNINGS

Operating income (before interest expense, interest income, unallocated operating expenses, income taxes, equity earnings, minority interest and extraordinary items) by industry segment has been as follows for the past two years:

	1984		1983	
	\$000's	%	\$000's	%
Cement, concrete & related prods.	70,580	94	72,010	94
Construction	4,378	6	4,784	6
	74,958	100	76,794	100

OPERATIONS

Note—On Apr. 28, 1983, the company transferred the equity of its U.S. operations to Lafarge Corporation pursuant to a reorganization which established Lafarge Corporation as its U.S. parent holding company.

The company, with headquarters in Montreal, is the largest producer of cement in Canada with operations extending from coast to coast.

Canadian operations are divided into five regions maintained by regional offices located as follows: Halifax, N.S. for the Atlantic region; Montreal for the Quebec region; Toronto for the Ontario Cement division; Calgary, Alta. for the Western Cement division; and Vancouver, B.C. for the Pacific region.

Cement Operations

The company manufactures and sells a wide range of cements, a basic construction material manufactured principally from limestone and clay or shale. Cement is the essential binding ingredient in concrete which is widely used in most types of residential, institutional, commercial and industrial construction. In addition to normal cement, the company manufactures and sells a variety of special purpose cements such as high early strength, low and moderate heat of hydration, sulphate resistant, masonry and oil well.

Cement Plants—The company operates nine cement manufacturing plants in Canada as follows:

Location	Process	Capacity (Tonnes)
Brookfield, N.S.	Dry	485,000
Havelock, N.B.	Dry	315,000
St. Constant, Que.	Dry	955,000
Bath, Ont.	Dry	1,000,000
Woodstock, Ont.	Wet	535,000
Ft. Whyte, Man.	Wet	565,000
Exshaw, Alta.	Dry	590,000
Do.	■	640,000
Kamloops, B.C.	Dry	190,000
Richmond, B.C.	Wet	555,000
		5,830,000

■ Pre-calciner.

In addition to the above plants, the company owns two grinding plants, for the processing of clinker into cement, located in Saskatoon, Sask. and Edmonton, Alta. Clinker is an intermediate product in the manufacture of cement.

The raw materials required for cement operations are obtained principally from properties which are owned by the company and its subsidiaries or in which they have long-term quarrying rights.

Sales and Distribution—The company's cement products are sold primarily to manufacturers of ready-mixed concrete and other concrete products and to contractors throughout Canada and in certain areas of the United States. Sales offices are located in Halifax, N.S.; Moncton, N.B.; Quebec City and Montreal, Que.; Sudbury, Toronto, and Ottawa, Ont.; Winnipeg, Man.; Regina and Saskatoon, Sask.; Calgary and Edmonton, Alta.; and Kamloops and Vancouver, B.C.

Distribution and storage facilities are maintained at all cement manufacturing and finishing plants and in Albany, P.E.I.; Chatham, N.B.; Quebec City and Montreal, Que.; Ottawa, Toronto, Whitefish River and Sudbury, Ont.; Regina, Sask.; Calgary, Alta.; Comox, Fort Nelson, Fort St. John, Prince George, Prince Rupert, North Vancouver and Victoria, B.C.

The company and its subsidiaries lease or contract for railcars and own or lease for the trucks and vessels used for the transportation of cement in bulk or bags from their plants to distribution points or directly to customers.

Concrete and Related Products

Through Canfarge Ltd., Standard Industries Ltd. and other subsidiaries, the company is engaged in the production and sale of ready-mixed concrete, aggregates (crushed stone, sand and gravel), precast and prestressed concrete, concrete block, concrete pipe and other related products. These products are sold mainly to contractors engaged in all phases of construction activity.

Concrete and Related Products Plants—Concrete and related product plants are operated across Canada and comprise 81 ready-mixed concrete plants, 33 aggregates plants, six precast and prestressed concrete plants, eight concrete block plants and seven concrete pipe plants. Each of the ready-mixed concrete, concrete products and aggregates plants is owned by the company, is fully-equipped and has facilities for shipping either by rail or truck.

Construction Segment—Construction activities consist primarily of street and highway construction and the production and sale of asphalt. Wholly-owned subsidiary, Canfarge Ltd., is engaged directly and through subsidiaries in highway, street, sidewalk and other similar construction work, principally in Quebec, Ontario and western Canada. Standard Industries Ltd. is engaged in paving and road building, mainly in Nova Scotia and Ontario. A total of 21 asphalt plants are operated in Canada.

Research, Development and Engineering

The company is involved in research and development work through its technical services and laboratories and through its participation in the Portland Cement Association. In addition, Lafarge Coppée S.A. and the company have agreements in connection with the exchange of technical and management know-how under which the company has access to the research and development activities of Lafarge Coppée S.A.

CAPITAL EXPENDITURES

Net additions to fixed assets in recent years have been as follows:

1975	\$28,054,000	1980	\$101,681,000
1976	25,362,000	1981	33,406,000
1977	28,829,000	1982	48,849,000
1978	24,145,000	1983	13,942,000
1979	71,685,000	1984	29,537,000

■ Net of proceeds from disposal in 1981 and prior years.

ACCOUNTING CHANGE

In 1981, the company changed its method of accounting for foreign currency translation to the current rate method, whereby gains or losses on translation of foreign currency are shown in shareholders' equity rather than in a combination of the consolidated statement of earnings and the consolidated balance sheet as in prior years.

This change was applied retroactively to Jan. 1, 1979. Had the previous method been maintained, consolidated net earnings would have been six cents per common share lower in 1981; five cents per common share higher in 1980; and one cent per common share lower in 1979.

HISTORY

Incorporated under the laws of Canada by letters patent dated Oct. 22, 1927, under the name of Canada Cement Company, Limited, to take over the predecessor company with the same name, as noted below. Certificate of Continuance was issued under the Canada Business Corporations Act on Feb. 15, 1979.

The predecessor company was incorporated in 1909 to acquire a number of cement manufacturing businesses, two of which commenced to manufacture portland cement in 1889, the first year in which it was produced in Canada. The names of the companies entering the original merger and all of which have now lost their identity, were as follows:

Alberta Portland Cement Co., Calgary; Belleville Portland Cement Co., Ltd., Belleville; Canadian Portland Cement Co., Ltd., Marlbank, Ont.; Canadian Portland Cement Co., Ltd., Port Colborne, Ont.; International Portland Cement Co., Ltd., Hull, Que.; Lakefield

Portland Cement Co., Ltd., Lakefield, Ont. and Montreal; Lehigh Portland Cement Co., Ltd., Belleville; Owen Sound Portland Cement Co., Ltd., Shallow Lake, Ont.; Rocky Mountain Portland Cement Co., Blairmore, Alta.; Vulcan Portland Cement Co., Ltd., Montreal; Western Canada Cement & Coal Co., Exshaw, Alta.

In 1927, the company was purchased by Wood, Gundy & Co. and associates and was reorganized. The present company took over the 1909 company under the same name of Canada Cement Company, Limited as a going concern and was incorporated under Dominion charter, Oct. 22, 1927. The 1909 company formally surrendered its charter on Mar. 18, 1931.

Prior to 1928, the company held a controlling interest in Consumers Glass Company and in the Pennsylvania Gypsum Co. at Chester, Pa. These were both disposed of, the former to Frank P. Jones and associates, and the latter to National Gypsum Company of Buffalo, N.Y.

In August, 1929, the National Cement Company of Montreal East was acquired. The National Cement Company was formerly controlled by the Alfred Rogers interests.

During 1959, the company acquired a substantial interest in several companies in the distribution field, including Standard Paving and Materials Ltd., (now Standard Industries Ltd.) at a cost of \$12,185,670.

In 1960, it was announced that U.K. based Associated Portland Cement Manufacturers had purchased 10% of the outstanding common stock of the company in the open market.

In 1961, the company acquired 32% of Supercrete Inc., of Winnipeg; interest was later increased to 50%.

As of Dec. 1, 1961, the company purchased a controlling interest in Mount Royal Paving & Supplies Limited. On Jan. 3, 1966, the name was changed to Francon (1966) Limited and on Dec. 29, 1966, the balance of the outstanding shares was purchased by Canada Cement. The subsidiary was consolidated into Canfarge Ltd. in 1972.

In 1967, the company acquired 51% interest in Mancon Products, engaged through subsidiaries in aggregate, concrete and construction operations in Alberta.

In 1967-68, the company acquired 42% of Construction St. Paul Ltée of Granby, Que.

On Mar. 31, 1970, the company through its subsidiary, Canada Cement Holdings Ltd., offered to acquire all the outstanding common and 6% preferred shares, both \$10 par, of Lafarge Canada Ltd. on the basis of two Canada Cement common shares for each five common or 6% preferred shares of Lafarge Canada Ltd. held. As at July 31, 1970, 98.6% of the common shares and 95.2% of the preferred shares of Lafarge Canada were tendered under the offer. The remaining shares were subsequently acquired by the company under section 181 of the Companies Act of British Columbia.

By S.L.P. dated May 1, 1970, the company's name was changed from Canada Cement Company, Limited to Canada Cement Lafarge Ltd.

During 1970-72, the company acquired Lagacé Enterprises, Richvale Block & Ready Mix, McCurdy Supply, Canada Concrete, Permanent Concrete, and Gallelli Western Industries (now known as Conmac).

In May 1972 a new wholly owned subsidiary, Canfarge Ltd., was created, and many of the previously acquired companies became divisions of the new company.

Effective Jan. 1, 1973, the company acquired the 500,000 preferred shares, \$10 par, of Lafarge Cement of Quebec Ltd. (held by Ciments Lafarge, S.A.) in exchange for 200,000 preference shares, \$20 par.

In early 1973, the investigation by government authorities concerning the company's merger with Lafarge Canada Ltd. concluded that there were no contraventions of combines legislation.

On Jan. 3, 1974, a joint venture, Citadel Cement Corporation, was formed between Canada Cement Lafarge and Lone Star Industries, each of which held a 50% share interest. Total cost to the company was US\$35,000,000.

Effective Apr. 1, 1977, the joint venture, Citadel Cement Corporation, was terminated and the net as-

sets were divided equally between the two shareholders, with the company obtaining the two plants in Alabama. A new subsidiary, also known as Citidel Cement Corporation, was incorporated to take over the net assets received on termination of the joint venture.

Also in fiscal 1977, the company acquired Anchor Wate-1975, Inc.

In May, 1979, shareholders approved the amalgamation of the company with two of its subsidiaries, Lafarge Cement Quebec Ltd. and Lafarge Canada Ltd., the continuing company also being known as Canada Cement Lafarge Ltd.

On Apr. 21, 1980, the company increased its interest in Standard Industries Ltd. to 73.6% through the acquisition from Pitts Engineering Construction Ltd. of an additional 1,498,852 common shares of Standard at \$7.50 per share. Subsequently the company made an offer to the minority shareholders of Standard Industries Ltd. to acquire their shares at \$7.50 per class A or B convertible share. However, following an objection by the Ontario Securities Commission the company withdrew its offer for the remaining shares.

A cash merger offer made by a subsidiary, CCL Investments Inc., to acquire all of the shares of General Portland Inc. at US\$45 per share was rejected by the board of directors of General Portland in July, 1981. Subsequently the company, through CCL, made a revised offer to acquire all of the shares at US\$47 per share.

Effective Nov. 13, 1981, the company, through CCL Investments Inc. (a wholly-owned subsidiary of Citidel Cement Corporation), acquired 93.5% of the voting shares of General Portland Inc. under the revised cash offer of \$47 per share. The remaining shares were acquired on Jan. 4, 1982, on the same basis. Total cost of shares (held 20% by Citidel Cement and 80% by CCL Investments) amounted to \$395,873,000. A final consent order relating to the General Portland acquisition was issued by the U.S. Federal Trade Commission in January, 1983.

During 1981, the company increased its ownership to 100% in two associated companies, including Supercrete Incorporated and acquired 100% interest in another company. Total outlays, after deducting working capital acquired of \$1.5 million, amounted to \$8.2 million.

In late 1981, the company increased its interest in Construction St-Paul Limitée to 100%.

In early 1982, Construction St-Paul Limitée was merged into Canfarge Limited to continue operating as a division under the new name Béton St-Paul.

Also during 1982, Alberta Concrete products Ltd. became a wholly-owned subsidiary. Alberta Concrete Products Ltd. and all other western Canada subsidiaries, including Supercrete Incorporated, Alberta Concrete Products Company Limited, Lethbridge Concrete Products, Ltd., Crown Paving and Engineering Ltd. and Crown Aggregates, were subsequently merged into Canfarge Limited to continue as operating divisions of Canfarge.

1983 Reorganization—Pursuant to an agreement dated Feb. 11, 1983 between the company, Lafarge Coppée S.A. (the controlling shareholder) and wholly-owned Lafarge Corporation, the company underwent a major reorganization whereby Lafarge Corporation was established as the U.S. parent holding company for Canada Cement Lafarge Ltd., operating in Canada, and General Portland Inc., operating in the United States. The reorganization was implemented in three distinct transactions.

On Apr. 28, 1983, Lafarge Corporation was established as the new parent holding company of Canada Cement Lafarge Ltd. On that date, the company effectively transferred the equity of its U.S. operations (consisting principally of General Portland Inc.) to Lafarge Corporation at its fair market value; Lafarge Coppée S.A. and the five French bank shareholders (the major shareholders) exchanged virtually all of their CCL com-

mon shares for common shares of Lafarge Corporation; and Lafarge Coppée S.A. transferred all of the outstanding CCL second preference, series B shares to Lafarge Corporation in exchange for Lafarge Corporation voting shares.

By Certificate of Amendment dated May 17, 1983, the capital structure of the company was amended as follows: the issued and outstanding common shares were redesignated and subdivided into exchangeable preference shares on a 1.05-for-1 basis; the issued and outstanding second preference shares, series A were subdivided on a 1.05-for-1 basis and the terms of such shares were amended making them convertible into exchangeable preference shares rather than common shares; and the second preference shares, series B (all held by Lafarge Corporation by way of a prior share exchange; see above) were redesignated and exchanged for new common shares of the company on a share-for-share basis. The exchangeable preference shares carry voting rights in and are exchangeable for common shares of Lafarge Corporation.

The final step in the reorganization, intended to create a market for the Lafarge Corporation common shares, was the partial exchange offer, made by Lafarge Corporation on May 19, 1983, for up to 1,600,000 exchangeable preference shares of the company, on the basis of 1.25 Lafarge Corporation common shares for each CCL exchangeable preference share tendered. Under the offer, which expired June 10, 1983, approximately 5,220,000 exchangeable preference shares were tendered. Shares were taken up on a pro rata basis with approximately 30.65% of the exchangeable preference shares of each tendering shareholder accepted for exchange into Lafarge Corporation common shares.

On Dec. 30, 1983, the company acquired the remaining 26% minority interest outstanding of Standard Industries Ltd. (SIL) through the issuance of 2,417,274 exchangeable preference shares, on the basis of 1.45 exchangeable preference shares for each common share of Standard Industries not held by the company.

PRINCIPAL SUBSIDIARIES

Canfarge Ltd.—Wholly owned. Through divisions and subsidiaries the company operates as fully integrated producer of ready-mixed, precast and prestressed concrete and concrete products, and as paving and excavating contractor in Canada. Canfarge Limited has the following operating divisions: Permanent Concrete; Franco; Béton St-Paul; Richvale Block; Ready-Mix; Alberta Concrete Products; Supercrete; Crown Paving; Lethbridge Concrete Products; Canada Concrete; Conmac Western Industries; and Lafarge Concrete/Lafarge Béton.

Béton Canfarge Inc.—Quebec City, Que. Wholly owned subsidiary of Canfarge Limited.

Standard Paving Maritime Ltd.

Cement Cartage Company Ltd.

Albany Cartage Company Ltd.

Standard Industries Ltd.—Wholly owned. Company supplies the construction industry with aggregates, ready-mixed concrete, concrete pipe and block and other products; also operates as a paving contractor. Its area of operation covers southwestern Ontario, Nova Scotia and northern New York state. For further details, see separate basic card on this company.

Anchor Wate-1975, Inc.—Wholly owned.

Permanent Concrete Inc.—Produces pipeline weights at a plant in Edmonton, Alta. Operates two ready-mixed concrete plants in Houston, Tex.

Friday Harbour Sand and Gravel Co.

ASSOCIATED COMPANY

Lafarge Conseils et Études—44% interest. Has wholly-owned subsidiary, **Lafarge Consultants Ltd.**, a Canadian company formed to provide consulting engineering services to the company and other clients.

OFFICERS AND DIRECTORS

Officers—J. D. Redfern, chm.; R. W. Murdoch, pres. & chief oper. officer; D. F. G. Lovett, J. R. Maze, sr. v-p's; G. H. Hawkett, sr. v-p fin.; Claude Rivoire, sr. v-p technical services; D. C. Hildebrand, v-p corp. devel.; D. S. McRae, v-p & treas.; Marcel Blais, v-p personnel; G. F. Masson, v-p corp. mktg.; L. J. Waisanen, compt.; Alain Fredette, sec.; C. J. Leslie, asst. treas. & asst. sec.

Directors—Patrick Bavière, J. T. Kennedy, P. M. McEntyre, R. W. Murdoch, J. D. Redfern, Montreal; L. G. Munin, Dallas, Texas.

CAPITAL STOCK
(As at Dec. 31, 1984)

	Author.	Outstand.
Second Preference	Unlimited	
Ser. A	5,064,675 sh.	5,064,675 sh.
Exchangeable Pfce.		
	*24,285,583 sh.	10,708,931
Common	Unlimited	24,491,921 sh.

*Of which 5,115,343 shares were reserved for possible conversion of series A second preference shares, 451,690 shares for options under the stock dividend plan and 800,000 shares for issuance under the stock option plan.

Second Preference—The total authorized amount of second preference shares is unlimited.

General Provisions—Issuable in series ranking on parity with one another but junior to the first preference shares and senior to the exchangeable preference shares with respect to payment of dividends and in the distribution of assets in the event of liquidation, dissolution, etc.

Non-voting unless eight quarterly or four semiannual dividends in arrears, when entitled to one vote per share, but restricted as to election of directors only and voting separately as a class to elect two members to the board of directors.

Any new class of shares ranking prior to or on a parity with the second preference shares may be created without the approval of the holders of the second preference shares. Provision attaching to the second preference shares, as a class, may be changed pursuant to a reorganization or an arrangement under the CBCA or with the approval of two-thirds of the votes cast at a meeting of the second preference shareholders called for that purpose.

\$1.17 Convertible Second Preference, Series A—Entitled to fixed cumulative preferential cash dividends at the rate of \$1.17 per share per annum, payable quarterly.

Holders of the \$1.17 second preference shares shall have the right to elect to receive such dividend in the form of a stock dividend when the board so determines.

In the event of liquidation, dissolution or winding-up, entitled to \$15 per share plus accrued dividends.

Redemption—Non-redeemable prior to Aug. 31, 1985, thereafter redeemable at the option of the company at \$15.75 per share on or before Aug. 31, 1986, thereafter such price declining by 15 cents per share in each 12-month period until Aug. 31, 1990; thereafter at \$15 per share; in each case plus dividends.

If at any time not more than 750,000 of these series A preference shares remain outstanding, the company may redeem all, but not part, of these shares at \$15 per share plus accrued dividends and costs of purchase.

Purchase for Cancellation—The company may be permitted at any time to purchase all or any part of the convertible second preference shares through the facilities of a stock exchange or by tender to all shareholders, at a price not exceeding \$15.75 per share prior to Aug. 31, 1985 or if thereafter, at a price not exceeding the then applicable redemption price, plus accrued and unpaid dividends and costs of purchase.

Conversion—Convertible at the option of the holder into exchangeable preference shares of the company at any time prior to the close of business on the third day prior to redemption or Aug. 31, 1990, whichever is earlier, on the basis of 1.01 exchangeable preference

shares for each series A share so converted, thereafter on the basis of 0.909 of one exchangeable preference share for each share so converted. Conversion basis was established on Nov. 7, 1981, following the successful public issue of common shares through a rights offering and was subsequently amended following the 1983 reorganization pursuant to an agreement dated Feb. 11, 1983. On May 8, 1983, each series A share became 1.05 series A shares convertible into exchangeable preference shares rather than common shares. No adjustment will be made in respect to preference dividends accrued on shares to be issued on conversion. The company may issue cash or scrip certificates in lieu of fractional shares.

Purpose of Issue—Net proceeds used to reduce current indebtedness or short-term investments.

Offered—3,340,000 shares in March, 1980 at \$15 per share to yield 7.80% per annum, by a group headed by Wood Gundy Ltd., Dominion Securities Ltd., Richardson Securities of Canada and Lévesque, Beaubien Inc.

Exchangeable Preference—Entitled to cumulative preferential dividends, payable on the same dates as, and equal to the Canadian dollar equivalent of the dividends declared on the Lafarge Corporation common shares, subject to adjustment in certain events.

In liquidation, dissolution or winding-up, entitled to an amount per share based upon the amount which would be payable to holders of Lafarge Corporation common shares on liquidation, dissolution or winding-up of Lafarge, which amount may be satisfied, at the company's option, in cash or by the distribution of the number of Lafarge Corporation common shares for which the exchangeable preference shares may be exchanged.

Redemption—Non-redeemable.

Exchange Option—Exchangeable on a share-for-share basis into common shares of Lafarge Corporation commencing not later than 60 days after the effective date (May 27, 1983). The exchange right may be terminated by Lafarge Corporation only after giving 90 days' notice and with the consent of two-thirds of the votes cast by holders of each class of the company's shares (other than the common shares) entitled to vote on such matter. The exchange rate is subject to adjustment in certain events.

Rank—The exchangeable preference shares rank junior to the second preference shares and in priority to the common shares of the company with respect to the payment of dividends and distribution of capital.

Security—Payment of dividends and liquidation value is guaranteed by Lafarge Corporation.

Voting—Non-voting in the company unless dividends are 12 months in arrears when, as a class, entitled to vote at all Canada Cement Lafarge meetings and to exercise 51% of the votes attaching to all outstanding shares of the company. Entitled, in any event, to one vote at meetings of shareholders of Lafarge Corporation for each whole Lafarge Corporation common share for which the exchangeable preference shares held are then exchangeable. Voting rights are subject to adjustment in certain events.

Issued—In exchange for the issued and outstanding common shares of the company on a 1.05-for-1 basis, pursuant to the 1983 reorganization, on May 17, 1983.

Common—Entitled to one vote per share. All held by Lafarge Corporation.

CAPITAL STOCK CHANGES

The old company was incorporated in 1909 and its capital structure remained unchanged until the new company was incorporated in 1927. Capitalization of the old company was as follows: Authorized, \$11,000,000 7% preferred and \$19,000,000 ordinary shares, par value in each case \$100. Of these, \$10,500,000 of preference and \$13,500,000 of common shares were outstanding.

In September, 1927, an offer was made by Wood, Gundy & Co., and associates to purchase the company at a price of \$125 for the preferred stock and \$250 for the ordinary shares. The offer was ratified by shareholders on Oct. 14, 1927. Payment was made to share-

holders on Nov. 21. All the 6% first mortgage bonds of the predecessor company were redeemed on Mar. 3, 1928, at 110 and interest.

In November, 1927, Wood, Gundy & Co. Limited sold 210,000 6½% preference shares, \$100 par, with a bonus of 2/5 of a common share with each preference share. Following this, authorized share capital consisted of 250,000 6½% sinking fund cumulative preference shares, \$100 par, and 750,000 common shares, no par value, of which 210,000 preference and 600,000 common shares were issued. Subsequently 9,131 preference shares were redeemed and cancelled.

By S.L.P. dated Sept. 23, 1946, following approval by shareholders, the 6½% sinking fund cumulative preference shares, par value \$100, were divided on the basis of five new for each old share, into new \$20 par cumulative preference shares, callable at \$30.00 and bearing an annual dividend of \$1.30 per share (at the same rate of 6½%). Arrears of dividends of \$40.25 per share were thus eliminated and the rights of the preference shareholders in respect to such arrears recognized in the increased call price of the new shares. Authorized capital then consisted of 1,204,345 preference shares, \$20 par value, and 750,000 common shares, no par value, of which 1,004,345 and 600,000, respectively, were issued and outstanding.

During the 1950 fiscal year, 23,787 preference shares were redeemed and cancelled.

In the 1954 fiscal year, 230,558 preference shares were redeemed.

On Feb. 7, 1955, shareholders approved a 4-for-1 split of the common stock, increasing the authorized common shares to 3,000,000 of which 2,400,000 shares were outstanding.

In the 1958 fiscal year, 50,000 preference shares were redeemed.

By S.L.P. dated Jan. 16, 1970, authorized common stock was increased from 3,000,000 shares to 4,000,000 shares.

Pursuant to the exchange offer made on Mar. 31, 1970, to acquire all the outstanding common and preferred shares of Lafarge Canada Ltd. (see page 3 for details) 826,136 common shares were issued during the 1970-71 fiscal year, and additional 645,227 common shares were issued under a rights offering made in February, 1971 (on the basis of one additional common share at \$32 for each five common shares held; rights expired Mar. 5, 1971, and were fully subscribed) increasing the number of common shares outstanding at Apr. 30, 1971 to 3,871,363 shares.

Effective Jan. 1, 1973, 200,000 preference shares of the company were issued for the 500,000 outstanding preferred shares of Lafarge Cement Quebec Ltd.

By S.L.P. dated May 7, 1973, authorized and outstanding common stock was split on a 4-for-1 basis. At the same time, an additional 4,000,000 authorized common shares were created.

In December, 1973, 3,097,090 common shares were issued under a rights offering. Shareholders were offered one additional common share at \$12.50 for each five common shares held. Rights expired Dec. 14, 1973, and were fully subscribed.

By S.L.P. dated May 28, 1976, all of the company's 20,000,000 authorized common shares were reclassified as A or B (interconvertible) common shares. All of the 18,582,542 common shares outstanding were designated as common shares.

At Dec. 31, 1978, there were 900,000 preference and 18,582,542 A and B common shares outstanding.

Through Certificate of Continuance dated Feb. 15, 1979, the company continued under the Canada Business Corporations Act. Authorized capital stock was designated as 900,000 preference and 20,000,000 common shares, both without par value. All outstanding class A and B common shares were reclassified as common stock.

On amalgamation of the company with its subsidiaries, Lafarge Cement Quebec Ltd. and Lafarge Canada Ltd., on May 31, 1979, shares of Canada Cement Lafarge (predecessor company) were exchanged on a share-for-share basis for shares of Canada Cement Lafarge (amalgamated company). Minority share-

holders of Lafarge Cement Quebec received two common shares of the amalgamated company for each common share of the predecessor company held. Following the amalgamation, there were 900,000 preference and 18,582,662 common shares of the amalgamated company outstanding.

On Oct. 18, 1979, shareholders of the company approved the increase in the authorized common shares to 28,000,000 from 20,000,000 shares and the creation of a class of second preference shares of an unlimited number.

In March, 1980, the company sold to the public 3,340,000 series A \$1.17 convertible second preference shares at \$15 a share, and sold to Lafarge S.A. 1,660,000 of these second preference shares. Also in 1980, 800 series A second preference shares were converted into 800 common shares.

On Aug. 20, 1981, the company issued 7,256,392 second preference shares, series B, to Ciments Lafarge France, S.A., a subsidiary of Lafarge Coppée at \$14.47 per share for a total consideration of \$105 million.

In November, 1981, 4,468,184 common shares were issued under a rights offering to shareholders of record Nov. 6, 1981. Lafarge Coppée sold its rights for 12½ cents each and as a result, its interest in the company was somewhat diluted. In order to maintain its 54.8% interest, the Lafarge Coppée subsidiary converted a total of 4,305,292 series B, second preference shares into 5,417,179 common shares of the company.

Also during 1981, 3,400 series A second preference shares were converted into 3,403 common shares.

During 1982, 547,489 common shares were issued under the Stock Dividend and Dividend Reinvestment Plan bringing capital stock outstanding at Dec. 31, 1982 to 900,000 first preference, 4,995,800 second preference, series A, 2,951,100 second preference, series B and 29,019,717 common shares.

1983 Reorganization—Pursuant to an agreement dated Feb. 11, 1983 between the company, Lafarge Coppée S.A. (the major shareholder) and Lafarge Corporation, and later agreements with the five French bank shareholders, the company underwent a reorganization, effective May 27, 1983, whereby Lafarge Corporation became its U.S. parent holding company. The reorganization was effected through a series of transactions which follow.

Prior to the effective date of the reorganization, Lafarge Coppée S.A. converted 79,046 series A second preference shares of CCL into common shares of the company on a 1.01-for-1 basis; the Lafarge Group (Lafarge Coppée, its affiliates and associates) exchanged virtually all of its CCL common shares and all of the issued and outstanding CCL series B second preference shares with Lafarge Corporation for shares of Lafarge Corporation; and the five French bank shareholders exchanged all of their CCL common shares for shares of Lafarge Corporation.

Then, by Certificate of Amendment dated May 27, 1983, capital stock of the company was amended as follows: all of the issued and outstanding common shares were redesignated and subdivided into exchangeable preference shares on a 1.05-for-1 basis; all of the issued and outstanding series A second preference shares were split on a 1.05-for-1 basis and the terms of such shares amended making them convertible into exchangeable preference shares on the same basis (1.01-for-1) as they had previously been convertible into common shares; the number of authorized exchangeable preference shares was increased to 50,000,000 shares to permit conversions and future share issuances; an unlimited number of common shares was authorized; and the issued and outstanding series B second preference shares (all held by Lafarge Corporation pursuant to the above-mentioned share exchange) were redesignated and exchanged into common shares on a share-for-share basis. As a result, Lafarge Corporation became the new parent holding company for Canada Cement Lafarge.

Immediately following the effective date, Lafarge Corporation exchanged all of the exchangeable preference shares held by it for common shares of the com-

pany on the basis of one common share for each 1.05 exchangeable preference shares. Canada Cement Lafarge cancelled the exchangeable preference shares thus received.

Subsequent to the reorganization, Lafarge Corporation made a partial exchange offer on May 19, 1983, for up to 1,600,000 exchangeable preference shares of the company on the basis of 1.25 common shares of Lafarge Corporation for each exchangeable preference share tendered. Approximately 5,220,000 exchangeable preference shares were tendered under the offer which expired June 10, 1983. Exchanges were made on a pro rata basis with approximately 30.65% of the exchangeable preference shares of each tendering shareholder accepted for exchange into common stock of Lafarge Corporation, subject to adjustment for fractional shares. Lafarge Corporation converted the exchangeable preference shares it received under the partial exchange offer into common shares of the company on the same 1.05-for-1 basis.

As a result, during 1983, the following changes in capital stock took place:

Second preference shares, series A—79,146 shares were converted into 79,937 common shares on a 1-for-1.05 basis; 92,851 shares were converted into 93,756 exchangeable preference shares on a 1-for-1.05 basis; and 245,832 shares were issued as a premium on reorganization;

Second preference shares, series B—2,951,100 shares were exchanged into common shares on a 1-for-1 basis;

Exchangeable preference shares—a net total of 7,661,503 shares were issued on conversion of common shares; 383,075 shares were issued as a premium on reorganization; 93,756 shares were issued on conversion of series A second preference shares; 148,310 shares were issued under the stock dividend and dividend reinvestment plans; and 2,417,274 shares were issued for the acquisition of Standard Industries Ltd.;

Common—102,670 shares were issued under the stock dividend and dividend reinvestment plans; a total of 3,031,037 shares were issued on conversion of series A and B second preference shares; and a net 7,661,503 shares were converted into exchangeable preference shares.

Capital stock outstanding at Dec. 31, 1983 comprised: 900,000 preference shares; 5,069,635 second preference shares, series A; 10,703,918 exchangeable preference shares; and 24,491,921 common shares.

On Aug. 13, 1985, the 900,000 outstanding preference shares were redeemed at \$16.50 per share, following adoption by the holders of those shares of a special resolution which reduced the redemption price of the preference shares from \$30 to \$16.50 per share.

During 1984, 4,960 second preference shares, series A were converted into 5,013 exchangeable preference shares, bringing capital stock outstanding at Dec. 31, 1984 to 5,064,675 second preference shares, series A; 10,708,931 exchangeable preference shares; and 24,491,921 common shares.

PRICE RANGE OF STOCK Ser. A Second Preference

Year	High	Low	Year	High	Low
1980*	\$16.00	\$13.38	1983	\$20.00	\$15.00
1981	17.50	11.00	1984	19.50	14.00
1982	15.75	9.63			

*Listed June 19. †Adjusted for 1.05-for-1 stock reorganization in 1983.

Exchangeable Preference

Year	High	Low	Year	High	Low
1983*	\$17.00	\$12.25	1984	\$16.25	\$11.00

*Listed May 10.

Common

Year	High	Low	Year	High	Low
1974	\$14.88	\$8.50	1979	\$14.38	\$10.00
1975	12.00	8.00	1980	15.00	10.63
1976	11.63	7.25	1981	16.50	10.63
1977	9.38	7.63	1982	13.00	8.00
1978	13.25	9.00	1983†	18.38	12.25

† Designated as class A common from May 26, 1976 to Feb. 15, 1979. ‡ To May 9 when delisted.

First Preference

Year	High	Low	Year	High	Low
1973	\$19.88	\$16.50	1979	\$17.00	\$14.13
1974	18.00	13.00	1980	16.25	11.00
1975	16.00	12.25	1981	13.00	8.25
1976	14.75	13.00	1982	11.88	8.25
1978	18.50	15.00	1983	14.50	10.88

□ Redeemed Aug. 13, 1984 at \$16.50 per share.

DIVIDENDS

Stock Dividend and Dividend Reinvestment Plan—The plan, established Apr. 2, 1982 (amended following the reorganization on May 27, 1983), provides holders of the series A second preference and exchangeable preference shares with the option of receiving their dividends in exchangeable preference shares in lieu of cash or applying their cash dividends towards the purchase of exchangeable preference shares of the company. Under either option, the exchangeable preference shares are valued at 95% of the average market price for the five days immediately preceding the dividend payment date.

Exchangeable Preference—Entitled to cumulative preferential dividends, payable quarterly on the same date as, and equal to the Canadian dollar equivalent of the dividend declared on the common shares of Lafarge Corporation.

First payment of five cents per share paid on May 31, 1983 was made before a dividend had been declared on the common shares of Lafarge Corporation. With the payment on Aug. 31, 1983, dividends have been paid at the Canadian funds equivalent as previously described. Total dividend payments were 17,333 cents in 1983 and 25,822 cents in 1984.

\$1.17 Convertible Second Preference, Series A—Entitled to \$1.17 per share per annum, payable quarterly. Initial dividend of \$0.5073 per share paid on Aug. 31, 1980; 29% cents per share paid Nov. 30, 1980, and regularly quarterly to Feb. 28, 1983, inclusive.

Following the reorganization, effective May 17, 1983, a dividend of 29% cents per share was paid on May 31, 1983 and regularly quarterly since.

First Preference (Old)—Were entitled to \$1.30 per share per annum cumulative, payable quarterly. Initial dividend of 32½ cents paid Dec. 20, 1946 and regularly to June 20, 1984, inclusive. Shares were redeemed on Aug. 13, 1984 at \$16.50 plus 19.233 cents accumulated dividend per share.

Series B Second Preference (Old)—Were entitled to dividends equivalent to those paid on common stock. Redesignated and exchanged, on a share-for-share basis, into common shares on May 17, 1983.

Common (Old)—Dividend payments were provided by provisions under the preference dividend maintenance fund prior to Nov. 30, 1949. Subsequently dividends were paid as follows: \$1.50 per share paid Nov. 30, 1950; \$2.00 per share paid Nov. 30, 1951 and Nov. 29, 1952; \$3.00 per share paid Nov. 30, 1953; and \$4.00 per share paid Nov. 30, 1954, following which the common stock was split.

Following the 4-for-1 split on Feb. 7, 1955, a dividend of 50 cents per share was paid May 31, 1955 (25 cents for quarter ended Feb. 28 and 25 cents for quarter ended May 31). A rate of \$1.00 per share per annum was paid regularly quarterly from Aug. 31, 1955 to Nov.

30, 1962. Rate was increased to \$1.20 per share per annum with quarterly payment of 30 cents on Feb. 28, 1963 and paid regularly quarterly to Nov. 30, 1964, inclusive. Rate was increased to \$1.40 per share per annum which was paid regularly quarterly from Mar. 1, 1965, to Nov. 30, 1965, inclusive. Rate was \$1.60 per share per annum paid regularly quarterly from Feb. 28, 1966 to Nov. 30, 1966, inclusive. Rate was increased to \$1.80 per share per annum with the quarterly payment of 45 cents per share on Feb. 28, 1967, and paid regularly quarterly to Nov. 30, 1967, inclusive. Rate of \$1.20 per share per annum was paid regularly quarterly from Feb. 29, 1968 to Nov. 29, 1969, inclusive, and rate of \$1.60 per share per annum was paid regularly quarterly from Feb. 28, 1970 to Feb. 28, 1973, inclusive. A quarterly payment of 50 cents per share was made May 31, 1973, following which the stock was split.

Following the 4-for-1 split by S.L.P. dated May 7, 1973, quarterly dividends of 12½ cents per share were paid on Aug. 31, and Nov. 30 in 1973. A rate of 60 cents per share per annum was paid regularly quarterly from Feb. 28, 1974 to May 31, 1976, inclusive, following which the common stock was reclassified.

Following reclassification as class A common stock on May 28, 1976, dividends were paid quarterly at the rate of 60 cents per share per annum, from Aug. 31, 1976 to Feb. 28, 1979, inclusive, following which the class A common shares were reclassified.

Following reclassification of class A common stock as common stock on Feb. 15, 1979, a dividend of 15 cents per share was paid on May 31, 1979. A rate of 80 cents per share per annum was paid quarterly from Aug. 31, 1979 to Nov. 30, 1981, inclusive. Quarterly dividends of 10 cents per share were paid on Feb. 26 and May 31, 1982; quarterly dividends of five cents per share were paid on Aug. 31 and Nov. 30, 1982 and on Feb. 28, 1983, following which the common shares were reclassified as and subdivided into exchangeable preference shares, on a 1.05-for-1 basis, on May 17, 1983.

Extra dividends of 20 cents per share were paid on Feb. 28, 1967 and 10 cents per share on Mar. 1, 1965.

Class B Common (Old)—Dividends were paid at a rate equivalent to that paid on the class A common stock but on a tax-deferred basis to Nov. 30, 1978, inclusive. (See also table on Tax-Deferred Dividends).

Preference (Old)—Was entitled to 6½% (\$6.50) per share per annum, cumulative from Dec. 1, 1927, payable quarterly Mar., June, Sept. and Dec. 20. Arrears of \$40.25 per share after payment of quarterly dividend on Sept. 20, 1946, were eliminated by 1946 reorganization.

Regular quarterly payments of \$1.62½ made to and including June 30, 1932 (for quarter ended May 31, 1932); none paid thereafter until \$1.00 per share paid March 20, 1937; \$1.00 paid June 21, 1937; \$1.25 paid Sept. 30, 1937, and quarterly thereafter to and including June 20, 1938; \$1.00 paid Sept. 20, 1938, and Dec. 20, 1938; \$1.25 paid Mar. 20, 1939, and quarterly to and including Sept. 20, 1941; \$2.75 paid Dec. 20, 1941, to meet 1941 dividend requirements in full; \$1.25 paid Mar. 20, 1942, and regularly quarterly up to and including Dec. 20, 1945; \$1.62½ paid Mar., June and Sept. 20, 1946.

An extra payment of \$2 per share on arrears was paid along with the quarterly payment on Mar. 21, 1938.

TAX-DEFERRED DIVIDENDS

The company has made the following tax-deferred dividend distributions on the class B common shares:

Amount	Record	Amount	Record
13½c*	Aug. 18/76	15c	Nov. 17/77
12½c	Nov. 17/76	15c	Feb. 16/78
12½c	Feb. 16/77	15c	May 18/78
15c	May 19/77	15c	Aug. 17/78
15c	Aug. 18/77	15c	Nov. 16/78

*Initial.

Adjusted to include portion of tax-deferred dividend previously declared but withheld pending Mar. 31, 1977 budget resolution becoming law prior to Nov. 1, 1978.

LONG-TERM DEBT

Long-term debt outstanding at Dec. 31, 1984, totaled \$120,901,000, including \$3,300,000 due in one year.

Payment requirements on long term-debt during the next five years, after the exclusion of bank loans for which refinancing was available, were as follows: \$3,300,000 in 1985; \$8,453,000 in 1986; \$6,212,000 in 1987; \$10,158,000 in 1988; and \$6,950,000 in 1989.

Debt comprised the following:

Sinking Fund Debentures

Series	Due Date	Outstand.
6¼% Ser. A*	Mar. 1, 1986	\$3,710,000
9¼% Ser. B	Oct. 15, 1990	12,854,000
8¾% Ser. C*	May 1, 1992	21,435,000
11¼% Ser. D*	Feb. 25, 1995	9,553,000
9¾% Ser. E	Dec. 15, 1997	33,470,000
7½% Ser. F	Feb. 15, 1988	4,229,000
Outstanding at Dec. 31, 1984		85,251,000

*Placed privately.

Details of debt included the following:

9½% S.F. Debentures, Series B:

Dated Oct. 15, 1970; due Oct. 15, 1990.

Principal and semiannual interest (Apr. and Oct. 15) and redemption premium, if any, payable in Canadian funds at any branch in Canada of the bank designated in the debentures.

Authorized and issued, \$20,000,000; outstanding at Dec. 31, 1984, \$12,854,000.

Denominations—Coupon debentures in denominations of \$1,000 registrable as to principal only and in fully registered form in denominations of \$1,000 and authorized multiples thereof.

Trustee—Montreal Trust Co.

Redemption—Redeemable at the option of the company in whole or in part at any time, on 30 days' notice, on or prior to Oct. 15 in each year at the following percentages of principal amount:

1971 .. 109.50	1978 .. 106.00	1985 .. 102.50
1972 .. 109.00	1979 .. 105.50	1986 .. 102.00
1973 .. 108.50	1980 .. 105.00	1987 .. 101.50
1974 .. 108.00	1981 .. 104.50	1988 .. 101.00
1975 .. 107.50	1982 .. 104.00	1989 .. 100.50
1976 .. 107.00	1983 .. 103.50	
1977 .. 106.50	1984 .. 103.00	

and thereafter at par to maturity, plus accrued interest in each case.

The company may not redeem the series B debentures on or before Oct. 15, 1985, as part of a refunding operation having an interest cost of less than 9½% per annum. Redeemable at par plus accrued interest for sinking fund purposes.

The company may purchase the series B debentures at prices not exceeding the current redemption price plus accrued interest and costs of purchase. Such debentures purchased may be applied at their principal amount in satisfaction of sinking fund obligations.

Sinking Fund—Sufficient to retire \$600,000 principal amount on Oct. 15 in each of the years 1976 to 1979, inclusive; \$900,000 principal amount in each of the years 1980 to 1984, inclusive; and \$1,300,000 principal amount in each of the years 1985 to 1989, inclusive. In addition, the company may make non-cumulative optional sinking fund payments sufficient to retire \$400,000 principal amount in each of the years 1980 to 1984, inclusive, and \$500,000 principal amount in each of the years 1985 to 1989, inclusive.

Security—Direct obligation of the company, but not secured by any mortgage or other charge.

Other Provisions—Certain restrictions are placed upon the issuance of any additional funded obligations as long as the series B debentures remain outstanding.

Purpose of Issue—Net proceeds applied towards working capital expenditures.

Offered—In October, 1970, at 100 and accrued interest by a group headed by Wood Gundy Securities Ltd. and Dominion Securities Corporation Ltd.

8¼% S.F. Debentures, Series C:

Dated May 1, 1972; due May 1, 1992.

Principal and semiannual interest (May and Nov. 1) payable in Canadian funds at any branch of the bank designated in the debentures.

Authorized and issued, \$30,000,000; outstanding at Dec. 31, 1984, \$21,435,000.

Denominations—Coupon debentures in denominations of \$1,000 registrable as to principal only and in fully registered form in denominations of \$1,000 and authorized multiples thereof.

Trustee—Montreal Trust Co.

Redemption—Redeemable at the option of the company in whole or in part at any time, on 30 days' notice, on or prior to May 1 in each year at the following percentages of principal amount:

1973 .. 108.75	1979 .. 105.75	1985 .. 102.75
1974 .. 108.25	1980 .. 105.25	1986 .. 102.25
1975 .. 107.75	1981 .. 104.75	1987 .. 101.75
1976 .. 107.25	1982 .. 104.25	1988 .. 101.25
1977 .. 106.75	1983 .. 103.75	1989 .. 100.75
1978 .. 106.25	1984 .. 103.25	1990 .. 100.25

and thereafter at par to maturity, plus accrued interest in each case.

The company may not redeem the series C debentures on or before May 1, 1987, as part of a refunding operation having an interest cost of less than 8¼% per annum. Redeemable at par plus accrued interest for sinking fund purposes.

The company may purchase the series C debentures at prices not exceeding the redemption price plus accrued interest and costs of purchase. Such debentures purchased may be applied at their principal amount in satisfaction of mandatory sinking fund obligations.

Sinking Fund—Sufficient to retire \$900,000 principal amount on May 1 in each of the years 1978 to 1981, inclusive; \$1,200,000 in each of the years 1982 to 1986, inclusive; and \$1,800,000 in each of the years 1987 to 1991, inclusive. In addition, the company may make non-cumulative optional sinking fund payments sufficient to retire \$600,000 principal amount in each of the years 1982 to 1986, inclusive, and \$900,000 principal amount in each of the years 1987 to 1991, inclusive.

Security and other provisions—Same as for 9½% debentures, series B.

Purpose of Issue—Net proceeds applied towards working capital expenditures.

Offered—In April, 1972, at 100 and accrued interest by a group headed by Wood Gundy Ltd. and Dominion Securities Corporation Ltd.

Sold privately to institutional investors.

9% S.F. Debentures, Series E:

Dated Dec. 21, 1977; due Dec. 15, 1997.

Principal and semiannual interest (June and Dec. 15) payable in Canadian funds at any branch in Canada of the chartered bank designated in the series E debentures.

Authorized and issued, \$40,000,000; outstanding at Dec. 31, 1984, \$33,470,000.

Denominations—Issued in coupon form in denominations of \$1,000 and \$25,000 registrable as to principal only and in fully registered form in denominations of \$1,000 and authorized multiples thereof.

Trustee—Montreal Trust Co.

Redemption—Redeemable at the option of the company in whole or in part on not less than 30 days' notice

at the following percentages of principal amount if redeemed in the 12 months ending Dec. 15:

1978 .. 109.75	1984 .. 106.45	1990 .. 103.15
1979 .. 109.20	1985 .. 105.90	1991 .. 102.60
1980 .. 108.65	1986 .. 105.35	1992 .. 102.05
1981 .. 108.10	1987 .. 104.80	1993 .. 101.50
1982 .. 107.55	1988 .. 104.25	1994 .. 100.95
1983 .. 107.00	1989 .. 103.70	1995 .. 100.40

and thereafter at par; in each case plus accrued interest. The company may not redeem the series E debentures prior to Dec. 15, 1992, as part of a refunding operation having an interest cost less than 9¼% per annum. For sinking fund purposes redeemable at par plus accrued interest.

The company will be entitled to purchase series E debentures in the market or by private contract at prices not exceeding the then current redemption price plus accrued interest and costs of purchase.

Sinking Fund—Sufficient to retire on Dec. 15 in each of the years 1981 to 1988, inclusive, \$1,600,000 principal amount of series E debentures and in each of the years 1989 to 1996 inclusive, \$2,400,000 principal amount of series E debentures. In addition, the company will have the non-cumulative right to make optional sinking fund payments sufficient to retire on Dec. 15 in each of the years 1981 to 1996, inclusive, \$400,000 principal amount of series E debentures. Series E debentures purchased or redeemed by the company shall be available to the company as a sinking fund credit equal to the principal amount thereof.

Security—Direct unsecured obligation of the company.

Certain restrictions are placed on the issuance of additional funded obligations.

Purpose of Issue—Net proceeds applied toward the company's capital expenditure program.

Offered—In December, 1977, at 100 plus accrued interest, if any, from Dec. 21, 1977, to the date of delivery, by a group headed by Wood Gundy Ltd., Dominion Securities Ltd., Richardson Securities of Canada and Lévesque, Beaubien Inc.

7½% S.F. Debentures, Series F:

Due Feb. 15, 1988.

Principal and semiannual interest (Feb. and Aug. 15) payable in Canadian funds.

Authorized and issued, \$12,000,000; outstanding at Dec. 31, 1984, \$4,229,000.

Trustee—Montreal Trust Co.

Redemption—Redeemable at 106.0 on or before Feb. 15, 1970; premium decreasing by 0.375 of 1% per annum to 100.375 in the 12 months ending Feb. 15, 1985; thereafter at par.

Sinking Fund—Sufficient to retire \$199,000 on Feb. 1, 1971; amounts increasing annually to \$295,000 in 1983; and \$325,000 per annum in each year 1984 to 1987, inclusive.

Offered—In exchange for all the outstanding 6¾% sinking fund debentures, series A, due Feb. 15, 1988, of Lafarge Cement Quebec Ltd. following the amalgamation of this company with Canada Cement Lafarge Ltd. on May 31, 1979.

Term Bank Loans—Outstanding at Dec. 31, 1984, \$8,900,000 under revolving credit facilities totaling \$63,400,000, bearing interest at varying rates up to ¾% over prime.

Other Long-Term Debt—Also outstanding at Dec. 31, 1984, \$26,750,000, of which \$7,800,000 was secured by assets.

INTERIM EARNINGS

Fiscal Year	3 months			6 months			9 months		
	Sales	Net Inc. Oper.	Earns. Per Com. Sh.■	Sales	Net Inc. Oper.	Earns. Per Com. Sh.■	Sales	Net Inc. Oper.	Earns. Per Com. Sh.■
	\$000's	\$—		\$000's	\$—		\$000's	\$—	
1978 ..	67,749	d4,542	d0.26	204,055	3,007	0.13	384,288	17,866	0.91
1979 ..	79,360	d4,996	d0.28	245,783	4,673	0.22	456,495	24,846	1.29
1980 ..	85,682	d4,795	d0.28	271,538	d884	d0.16	518,963	14,067	0.55
1981 ..	111,691	d7,423	d0.49	350,731	4,992	0.08	649,848	21,433	0.83
1982 ..	190,833	d30,998	d1.16	490,632	d19,683	d0.83	842,124	d9,219	d0.53
1983 ..	175,215	d30,414	d1.11	▲262,097	▲d2,635	n.a.	491,080	d25,819	n.a.
1984 ..	88,336	d10,861	n.a.	277,389	d1,815	n.a.	533,425	20,681	n.a.
1985 ..	86,860	d11,529	n.a.	287,839	4,954	n.a.			

■ Designated as class A common shares to February, 1979.

▲Results are for Canadian operations only following the transfer of equity of U.S. operations to Lafarge Corporation and the establishment of Lafarge as the new parent company on Apr. 28, 1983. See 1983 Reorganization under History on page 4 for further details.

Note—Earnings per common share have been unreported since the 1983 reorganization.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
Years ended December 31

	1984	1983■
	\$000's	
Funds Generated from (Used for) Operations:		
Net income, operations	27,149	16,349
Items not affecting working capital:		
Depreciation & depletion	42,872	40,475
Deferred income tax	(6,284)	225
Other	(290)	3,817
Working capital from operations	63,447	60,866
Capital expenditures	(29,537)	(13,942)
Disposal, pty., plant & equip., net	2,827	7,463
Changes in working capital items	21,291	24,492
Other	2,185	(2,769)
Funds generated before financing	60,213	76,110
Funds Obtained from (Used in) Financing:		
Reduction of long-term debt	(35,338)	(72,455)
Decrease in short-term borrowings .....	....	(23,445)
Redemption of preferred shares	(12,598)	....
Issue of equity securities .....	....	34,680
Net funds obtained from (Used in) financing	(47,936)	(61,220)
Funds Used for Acquisitions:		
Increase in ownership of subsidiary .....	....	(31,425)
Investment in associates	(1,040)	(2,560)
Funds used for acquisitions	(1,040)	(33,985)
Funds Used for Dividends	(9,450)	(10,200)
Increase (decrease) in cash, etc.	1,787	(29,295)

■ As reported in 1984 Annual Report.

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS, YEARS ENDED DECEMBER 31

	1984	□ 1983	1982	1981	■ 1980	1979	1978
	\$000's						
Sales	709,825	629,726	1,110,920	916,312	711,136	618,297	535,337
Less: Cost of sales, etc.	610,718	533,771	992,546	777,600	614,684	513,521	453,370
Add: Investment income	2,204	2,109	3,665	6,433	1,264	1,274	.....
Net, before deprec., etc.	101,311	98,064	122,039	145,145	97,716	106,050	81,967
Less: Deprec. & depl.	42,872	40,475	67,097	45,092	33,489	28,868	24,567
L.-t. debt interest	16,465	19,097	77,372	27,823	13,598	15,867	13,849
Other int. expense	934	3,198	8,565	12,124	4,709	3,701	*2,671
Income taxes: Current	22,159	15,071	▲6,353	11,655	15,696	13,618	10,787
Deferred	▲6,284	225	▲14,401	12,197	4,672	11,015	6,728
Minority interest .....	.....	d3,069	688	2,815	2,145	851	474
Add: Equity income	1,984	d580	d1,115	711	54	4,119	3,570
Less: Loss from U.S. oper. ....	.....	19,264	.....	.....	.....	.....	.....
Loss on tsf., U.S. ops. ....	.....	19,982	.....	.....	.....	.....	.....
Net income, operations	27,149	d22,897	d12,044	34,150	23,481	36,249	26,461
Add: Extraordinary items† .....	.....	.....	d2,759	1,281	d2,539	.....	.....
Net income	27,149	d22,897	d14,803	35,431	20,922	36,249	26,461
Add: Previous ret. earns.	143,659	178,833	210,111	199,139	199,495	177,424	163,283
Less: Preference dividends	9,450	8,749	7,899	8,467	5,169	1,170	1,170
Common dividends .....	.....	1,451	8,576	14,869	14,866	13,008	11,150
Pfce. sh. issue exps. ....	.....	.....	.....	372	1,243	.....	.....
Expenses, reorg. of cap. ....	.....	1,053	.....	.....	.....	.....	.....
Adj. for accounting change● .....	.....	1,024	.....	751	.....	.....	.....
Retained earnings	161,358	143,659	178,833	210,111	199,139	199,495	177,424

●Retroactive amortization adjustment in 1983; re company's foreign currency translation in 1981, see Accounting Change, page 3.

*Net of income from short-term investments in 1978. ▲Credit.

■ Consolidates the results of the operations of Standard Industries Ltd. from May 1, 1980. Previously, the company's share of earnings of Standard Industries was included on an equity basis.

□ Consolidates only the Canadian operations of the company as a result of a corporate reorganization. On Apr. 28, 1983, the company transferred the equity in its U.S. operations to Lafarge Corporation.

†In 1982, net loss on sale of division of a subsidiary; in 1981, extraordinary items arose from a gain in expropriation of land; in 1980, comprised a net provision for loss on the closure of a cement plant at Birmingham, Ala., of \$3,866,000, net of gain arising from an insurance settlement of the involuntary disposal of leased assets.

Remuneration—Of directors and senior officers has been as follows: not stated since 1982; \$1,960,000 in 1981; \$2,042,000 in 1980; \$1,678,000 in 1979; and \$1,381,000 in 1978.

Note—The company noted that in addition to interest on long-term debt shown in the Consolidated Statement of Income and Retained Earnings, interest of \$5,354,000 in 1981; \$6,194,000 in 1980; \$1,613,000 in 1979; \$1,954,000 in 1978 was capitalized with respect to a cement plant under construction.

Times Interest Earned:

Before deprec. & depl.	5.82	4.40	1.42	3.63	5.34	5.42	4.96
After deprec. & depl.	3.36	2.58	0.64	2.50	3.51	3.94	3.47

Earnings per Share:

Based on net income operations:							
Preference: Times earned ..	12.87	.....	.....	14.03	14.54	130.98	122.62
Common■ .....	.....	.....	d\$0.70	\$1.32	\$0.96	\$1.89	\$1.36
Based on net income:							
Preference: Times earned ..	12.87	.....	.....	14.18	14.05	130.98	122.62
Common■ .....	.....	.....	d\$0.79	\$1.39	\$0.82	\$1.89	\$1.36

■ Designated as class A and B common shares to February, 1979; based on the weighted average number of shares outstanding during the year to 1982; not reported after capital reorganization in 1983.

Dividends Paid or Declared:

First Preference	▲\$0.84	\$1.30	\$1.30	\$1.30	\$1.30	\$1.30	\$1.30
Ser. A Second Pfce.	1.17	1.17	1.17	1.17	*0.7998	.....	.....
Exchangeable pfce.□	0.258	*0.173	.....	.....	.....	.....	.....
Common† .....	.....	0.05	0.30	0.80	0.80	0.55	.....
Class A com. ....	.....	.....	.....	.....	.....	0.15	0.60
Class B com. ....	.....	.....	.....	.....	.....	0.15	0.60

†Following reclassification Feb. 15, 1979. *Including initial.

□ Following reclassification & split of each common share into 1.05 exchangeable preference shares May 16, 1983.

▲To redemption on Aug. 13, 1984.

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31

	1984	1983	1982	1981	1980	1979	1978
	\$000's						
Assets							
Current:							
Cash & short-term invests.■	5,136	3,349	47,461	73,135	7,265	2,086	24,579
Accounts receivable	119,514	98,694	166,150	214,865	129,127	105,408	86,884
Inventories▶	99,281	105,453	181,325	188,484	119,108	93,188	73,602
Prepaid expenses	4,781	9,694	5,885	5,041	4,941	3,731	4,341
	228,712	217,190	400,821	481,525	260,441	204,413	189,406
Mkt. secs. held in pfce.							
divd. maint. fund■		2,340	2,340	2,340	2,340	2,340	2,340
Long-term receivables	13,692	14,047	27,439	23,974	9,901	3,730	3,435
Invest. in assoc. cos.	10,993	8,087	6,011	5,755	10,908	38,202	34,884
Invest. in U.S. affil.	188,973	188,973					
Fixed assets:							
Bldgs., plant & equip.	767,844	754,753	1,210,244	1,201,988	716,266	587,851	558,571
Land & mineral dep.	84,919	81,482	134,447	131,545	76,342	45,261	47,580
Construct. in prog.	11,945	6,359	8,148	4,792	100,806	48,740	10,114
Less: Accum. deprec.	442,831	403,587	426,090	380,575	333,377	256,774	238,208
	421,877	439,007	926,749	957,750	560,037	425,078	378,057
Unamort. debt fin. exps.	814	955	2,065	2,290	1,502	1,727	1,916
Excess cost subsid. shs.	2,591	2,712	51,079	47,228	5,952	5,952	6,101
Unrealized loss re l.-t. debt					2,629	2,651	3,778
	867,652	873,311	1,416,504	1,520,862	853,710	684,093	619,917
Liabilities							
Current:							
Due bank, etc.			43,795	54,406	60,905	18,072	16,235
Accts. pay. & accr. liabs.	85,691	66,228	109,946	159,936	79,008	75,597	51,379
Income & other taxes pay.	21,436	9,873	4,929	19,928	11,256	18,200	11,177
Curr. portion l.-t. debt	3,300	6,165	12,178	11,149	9,976	4,899	1,571
	110,427	82,266	170,848	245,419	161,145	116,768	80,362
Long-term debt:							
6¼% debts., due 1986	3,710	3,970	5,024	5,776	6,676	7,501	8,151
9½% debts., due 1990	12,854	13,640	14,107	14,738	15,531	16,555	17,469
8¾% debts., due 1992	21,435	21,810	23,764	25,182	26,214	27,091	28,043
11¼% debts., due 1995	9,553	10,540	11,773	12,919	13,927	14,833	16,400
9¾% debts., due 1997	33,470	34,304	35,968	36,847	38,297	40,000	40,000
7½% debts., due 1988	4,229	4,694	5,223	5,318	5,597	6,085	
Notes & loans pay.	8,900	24,960	323,594	372,079	27,064	13,508	13,558
Subsidiary debt			99,950	118,809	41,101	35,040	42,087
Other long-term debt	26,750	42,013	57,499	25,518	22,299	13,681	11,032
L.-t. debt due	3,300	6,165	12,178	11,149	9,976	4,899	1,571
	117,601	149,766	564,724	561,037	186,730	169,395	175,169
Minority interest			15,386	21,153	19,181	5,782	4,965
Deferred income taxes	113,953	118,901	128,254	142,149	105,617	85,755	75,100
Shareholders' Equity							
Capital stock:							
First Preference		18,000	18,000	18,000	18,000	18,000	18,000
Ser. A second pfce.	72,352	72,423	74,937	74,937	74,988		
Ser. B second pfce.			42,702	42,702			
Exchangeable pfce.	71,003	70,932					
Common stock	192,725	192,725	207,547	202,643	88,910	88,898	88,897
Capital surplus	26,848	23,786					
Retained earnings†	161,358	143,659	178,833	210,111	199,139	199,495	177,424
Cumulative translation adj.	1,385	853	15,273	2,711			
	867,652	873,311	1,416,504	1,520,862	853,710	684,093	619,917
†Incl. pfce. divd. maint. fund		2,340	2,340	2,340	2,340	2,340	2,340

Note: Accounts in 1981 include a change in accounting policy. For details see Accounting Change on page 3.

†Accounts for General Portland Inc. consolidated in 1981 for the first time.

□ Consolidates only the Canadian operations of the company as a result of a corporate reorganization. See History for further details.

■ At cost. ▶ At lower of cost (generally average cost) and net realizable value.

▼ Arising from issue of 2,417,274 exchangeable preference shares for common shares of Standard Industries Ltd. at average market value of \$13 per share, of which \$7,839,000 was credited to capital stock and \$23,786,000 to contributed surplus in 1983. In 1984, a further \$3,062,000 was included, being the excess of book value over repurchase costs of first preference shares redeemed.

Lease Commitments—At Dec. 31, 1984, future minimum annual payments required under operating leases in existence were as follows: \$5,661,000 in 1985; \$4,309,000 in 1986; \$3,206,000 in 1987; \$2,625,000 in 1988; and \$2,221,000 in 1989.

EQUITIES AS AT DECEMBER 31

	1984	1983	1982	1981	1980	1979	1978
Net worth, (\$000's)	525,671	522,378	537,292	551,104	381,037	306,393	284,321
Debentures, per \$1,000	\$7,166	\$6,872	\$6,605	\$6,468	\$4,587	\$3,733	\$3,583
First preference .....	.....	580.42	596.99	612.34	423.37	340.44	315.91
Ser. A Second Pfce.	103.79	97.71	65.07	66.83	70.82	.....	.....
Ser. B Second Pfce. ....	.....	.....	62.77	64.47	.....	.....	.....
Common▲	15.46	14.18	13.53	14.28	15.02	15.04	13.85

*Available for preference and common stock; based on shareholders' equity. Debentures taken in at par for calculation of their equity. First preference stock deducted at \$30 per share, series A second preference deducted at \$15 per share, series B second preference deducted at \$14.47 per share; and exchangeable preference shares deducted at book value before calculating equity per common share.

▲Designated as class A and B common shares to February, 1979. For details on reorganization in 1983, see "Capital Stock Changes" on page 5.

Working Capital (\$000's):

Current assets	228,712	217,190	400,821	481,525	260,441	204,413	189,406
Current liabilities	110,427	82,266	170,848	245,419	161,145	116,768	80,362
Working capital	118,285	134,924	229,973	236,106	99,296	87,645	109,044
Ratio	2.07—1	2.60—1	2.35—1	1.96—1	1.62—1	1.75—1	2.36—1

Shares Outstanding:

First preference .....	.....	900,000	900,000	900,000	900,000	900,000	900,000
Ser. A Second Pfce.	5,064,675	5,069,635	4,995,800	4,995,800	4,999,200	.....	.....
Ser. B Second Pfce. ....	.....	.....	2,951,100	2,951,100	.....	.....	.....
Exchangeable pfce.	10,708,931	10,703,918	.....	.....	.....	.....	.....
Common▲	24,491,921	24,491,921	29,019,717	28,472,228	18,583,462	18,582,622	18,582,542

►Designated as class A and B common shares to February, 1979; for details on 1983 reorganization, see "Capital Stock Changes" on page 5.

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31

	1984	1983	1982	1981	1980	1979	1978
	(\$000's)						
Assets							
Current:							
Cash & short-term invests.■	5,136	3,349	47,461	73,135	7,265	2,086	24,579
Accounts receivable	119,514	98,694	166,150	214,865	129,127	105,408	86,884
Inventories▶	99,281	105,453	181,325	188,484	119,108	93,188	73,602
Prepaid expenses	4,781	9,694	5,885	5,041	4,941	3,731	4,341
	228,712	217,190	400,821	481,525	260,441	204,413	189,406
Mkt. secs. held in pfce.							
divd. maint. fund■		2,340	2,340	2,340	2,340	2,340	2,340
Long-term receivables	13,692	14,047	27,439	23,974	9,901	3,730	3,435
Invest. in assoc. cos.	10,993	8,087	6,011	5,755	10,908	38,202	34,884
Invest. in U.S. affil.	188,973	188,973					
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Bldgs., plant & equip.	767,844	754,753	1,210,244	1,201,988	716,266	587,851	558,571
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Construct. in prog.	11,945	6,359	8,148	4,792	100,806	48,740	10,114
Less: Accum. deprec.	442,831	403,587	426,090	380,575	333,377	256,774	238,208
	421,877	439,007	926,749	957,750	560,037	425,078	378,057
Unamort. debt fin. exps.	814	955	2,065	2,290	1,502	1,727	1,916
Excess cost subsid. shs.	2,591	2,712	51,079	47,228	5,952	5,952	6,101
Unrealized loss re l.-t. debt					2,629	2,651	3,778
	867,652	873,311	1,416,504	1,520,862	853,710	684,093	619,917
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Due bank, etc.			43,795	54,406	60,905	18,072	16,235
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Income & other taxes pay.	21,436	9,873	4,929	19,928	11,256	18,200	11,177
Curr. portion l.-t. debt	3,300	6,165	12,178	11,149	9,976	4,899	1,571
	110,427	82,266	170,848	245,419	161,145	116,768	80,362
Long-term debt:							
6¼% debts, due 1986	3,710	3,970	5,024	5,776	6,676	7,501	8,151
9½% debts, due 1990	12,854	13,640	14,107	14,738	15,531	16,555	17,469
8¾% debts, due 1992	21,435	21,810	23,764	25,182	26,214	27,091	28,043
11¼% debts, due 1995	9,553	10,540	11,773	12,919	13,927	14,833	16,400
9¾% debts, due 1997	33,470	34,304	35,968	36,847	38,297	40,000	40,000
7½% debts, due 1988	4,229	4,694	5,223	5,318	5,597	6,085	
Notes & loans pay.	8,900	24,960	323,594	372,079	27,064	13,508	13,558
Subsidiary debt			99,950	118,809	41,101	35,040	42,087
Other long-term debt	26,750	42,013	57,499	25,518	22,299	13,681	11,032
L.-t. debt due	3,300	6,165	12,178	11,149	9,976	4,899	1,571
	117,601	149,766	564,724	561,037	186,730	169,395	175,169
Minority interest			15,386	21,153	19,181	5,782	4,965
Deferred income taxes	113,953	118,901	128,254	142,149	105,617	85,755	75,100
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Capital stock:							
First Preference		18,000	18,000	18,000	18,000	18,000	18,000
Ser. A second pfce.	72,352	72,423	74,937	74,937	74,988		
Ser. B second pfce.			42,702	42,702			
Exchangeable pfce.	71,003	70,932					
Common stock	192,725	192,725	207,547	202,643	88,910	88,898	88,897
Capital surplus▼	26,848	23,786					
Retained earnings†	161,358	143,659	178,833	210,111	199,139	199,495	177,424
Cumulative translation adj.	1,385	853	15,273	2,711			
	867,652	873,311	1,416,504	1,520,862	853,710	684,093	619,917
†Incl. pfce. divd. maint. fund		2,340	2,340	2,340	2,340	2,340	2,340

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■ At cost. ▶ At lower of cost (generally average cost) and net realizable value.

▼ Arising from issue of 2,417,274 exchangeable preference shares for common shares of Standard Industries Ltd. at average market value of \$13 per share, of which \$7,639,000 was credited to capital stock and \$23,786,000 to contributed surplus in 1983. In 1984, a further \$3,062,000 was included, being the excess of book value over repurchase costs of first preference shares redeemed.

Lease Commitments—At Dec. 31, 1984, future minimum annual payments required under operating leases in existence were as follows: \$5,661,000 in 1985; \$4,309,000 in 1986; \$3,206,000 in 1987; \$2,625,000 in 1988; and \$2,221,000 in 1989.

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First preference		580.42	596.99	612.34	423.37	340.44	315.91
Ser. A Second Pfce.	103.79	97.71	65.07	66.83	70.82		
Ser. B Second Pfce.			62.77	64.47			
Common▲	15.46	14.18	13.53	14.28	15.02	15.04	13.85

*Available for preference and common stock; based on shareholders' equity. Debentures taken in at par for calculation of their equity. First preference stock deducted at \$30 per share, series A second preference deducted at \$15 per share, series B second preference deducted at \$14.47 per share; and exchangeable preference shares deducted at book value before calculating equity per common share.

▲Designated as class A and B common shares to February, 1979. For details on reorganization in 1983, see "Capital Stock Changes" on page 5.

Working Capital (\$000's):

Current assets	228,712	217,190	400,821	481,525	260,441	204,413	189,406
Current liabilities	110,427	82,266	170,848	245,419	161,145	116,768	80,362
Working capital	118,285	134,924	229,973	236,106	99,296	87,645	109,044
Ratio	2.07—1	2.60—1	2.35—1	1.96—1	1.62—1	1.75—1	2.36—1

Shares Outstanding:

First preference		900,000	900,000	900,000	900,000	900,000	900,000
Ser. A Second Pfce.	5,064,675	5,069,635	4,995,800	4,995,800	4,999,200	.....	.....
Ser. B Second Pfce.			2,951,100	2,951,100	.....	.....	.....
Exchangeable pfce.	10,708,931	10,703,918	.....	.....	.....	.....	.....
Common▶	24,491,921	24,491,921	29,019,717	28,472,228	18,583,462	18,582,622	18,582,542

▶Designated as class A and B common shares to February, 1979; for details on 1983 reorganization, see "Capital Stock Changes" on page 5.

HISTORICAL SUMMARY

Fiscal Year	Total Assets	Working Capital	L.-term Debt	Shldrs.' Equity	Sales	Net Inc. Oper.	Earns. Per Com. Sh.	Price Range
								High Low
				\$000's			\$	\$
1928*	49,432	4,120	20,000	27,434		1,975	0.05	34.88 26.00
1929	51,644	3,904	21,500	27,670		1,601	0.39	36.00 14.00
1930	51,622	3,759	20,800	27,872		1,566	0.33	19.50 11.88
1931	50,801	4,291	20,078	28,062		1,553	0.32	18.88 5.00
1932	48,673	3,603	19,333	27,309		785	d0.87	7.00 2.00
1933	47,662	3,349	18,263	27,386		77	d2.04	10.63 2.25
1934	47,153	4,098	17,768	27,492		55	d2.08	12.00 4.88
1935	46,465	4,019	17,059	28,282		38	d2.11	8.25 5.00
1936	47,772	3,229	17,320	27,582		663	d1.07	16.13 6.00
1937	47,868	4,182	16,495	28,780		1,461	0.26	23.00 7.50
1938	46,707	3,867	15,695	28,599		1,125	d0.30	13.00 7.00
1939	45,907	3,416	14,145	29,070		1,476	0.28	10.38 5.50
1940	44,341	2,735	11,095	29,398		1,332	0.04	8.25 3.00
1941	44,500	4,069	11,045	29,723		1,631	0.54	7.00 4.00
1942	44,442	6,191	10,995	30,279		1,560	0.42	5.75 3.50
1943	43,949	7,712	10,945	30,233		949	d0.59	9.00 4.50
1944	42,388	7,325	9,395	30,057		828	d0.80	9.75 6.50
1945	41,793	8,208	8,845	30,306		1,251	d0.09	16.00 9.25
1946	37,530	3,515	3,785	31,286		2,189	1.47	25.50 14.75
1947	39,199	2,567	3,045	32,399		2,419	1.86	23.75 16.75
1948	41,446	2,894	2,100	34,821		3,728	4.04	24.75 14.75
1949	44,077	4,638	1,400	38,336		4,820	5.86	39.00 20.25
1950	45,380	7,434		40,643		5,207	6.52	55.00 30.00
1951	53,703	7,096	3,650	42,973		4,805	5.88	98.00 53.75
1952	55,466	5,568	4,500	42,193		4,045	4.62	80.50 63.00
1953	58,177	12,378	4,000	46,924		5,455	6.97	91.00 72.00
1954	53,981	5,980	3,500	42,242		6,350	8.55	145.00 85.00
1955	71,432	15,832	16,750	46,459		7,592	▲2.76	▲43.25 ▲35.75
1956	99,044	8,469	37,500	50,341		7,257	2.62	37.00 26.25
1957	101,982	10,979	37,000	54,279		7,313	2.64	30.50 20.25
1958	100,873	17,010	34,500	56,525		7,215	2.60	35.00 24.50
1959	105,139	11,309	33,250	60,226		7,011	2.54	37.00 26.88
1960	105,385	16,510	32,750	63,121		6,205	2.21	35.00 22.50
1961	109,227	17,501	31,875	66,394		6,582	2.36	29.00 24.50
1962	112,771	10,714	30,500	70,678		7,594	2.78	33.00 23.50
1963	116,873	13,987	28,750	75,034		8,146	3.02	40.00 29.00
1964	122,288	13,601	27,000	80,826	72,779	9,583	3.61	54.75 38.50
1965	129,945	11,693	23,950	86,661	77,854	10,345	3.93	60.00 42.75
1966	153,099	15,939	38,200	93,059	84,665	11,148	4.27	51.00 31.50
1967●	166,968	17,314	38,861	93,948	33,801	1,370	0.38	46.50 25.25
1968	161,659	16,200	36,250	91,102	94,804	5,564	1.94	36.00 24.88
1969	156,704	17,996	33,489	93,845	94,702	6,533	2.34	37.00 28.00
1970	156,812	20,081	31,051	97,690	97,811	7,693	2.83	38.00 28.75
1971§	278,030	39,292	78,795	144,657	156,185	7,938	2.12	47.00 37.75
1972	292,700	37,437	69,780	151,395	203,071	12,471	2.99	60.00 45.25
1972●	345,475	51,404	99,635	173,411	192,809	16,979	4.23	60.00 45.25
1973	403,834	49,956	99,051	226,246	276,327	21,289	▲1.29	▲16.25 ▲10.88
1974	460,168	43,797	110,615	237,183	330,734	23,257	1.19	14.88 8.50
1975	515,669	56,760	127,979	249,200	398,919	24,337	1.25	12.00 8.00
1976	521,225	54,391	119,300	260,057	384,799	23,177	1.18	11.63 7.25
1977	597,336	83,839	169,995	270,180	439,686	22,443	1.14	9.38 7.63
1978	619,917	109,044	176,740	284,321	535,337	26,461	1.36	13.25 9.00
1979	684,093	87,645	174,294	306,393	618,297	36,249	1.89	14.38 10.00
1980	853,710	99,296	196,706	381,037	711,136	20,922	0.96	15.00 10.63
1981	1,520,862	236,106	572,186	551,104	916,312	34,150	1.32	16.50 10.63
1982	1,416,504	229,973	576,902	537,292	1,110,920	d12,044	d0.70	13.00 8.00
1983§	873,311	134,924	155,931	522,378	629,726	16,349	n.a.	■ 18.38 ■ 12.25
1984	867,652	118,285	120,901	525,671	709,825	27,149	n.a.	16.25 11.00

*Eleven-month period ended Nov. 30.

§Consolidates Lafarge Canada Ltd. from 1971; Canadian operations only from 1983 forward.

●Five-month period due to change in year-end from Nov. 30 to Apr. 30 in 1967; eight-month period due to change in year-end from Apr. 30 to Dec. 31 in 1972.

▲Following 4-for-1 stock splits in February, 1955 and May, 1973.

■ Price range from 1983 forward for exchangeable preference shares.

(This information is obtained from sources we believe to be reliable, but is not guaranteed)